



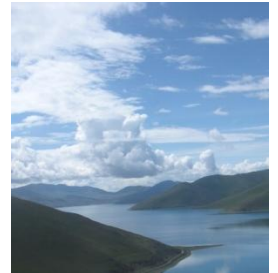
**USAID**  
FROM THE AMERICAN PEOPLE

Quarterly Progress Report

# 1<sup>ST</sup> QUARTERLY REPORT JANUARY – MARCH 2012

## COMPETE PROJECT

Strengthening the competitiveness and export potential of  
key sectors essential to the future prosperity of the  
Palestinian economy



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## ACRONYMS & ABBREVIATIONS

<b>CIBER</b>	Competitiveness Impact of Business Environment Reform
<b>COP</b>	Chief of Party
<b>ICT</b>	Information and Communications Technology
<b>MoTA</b>	Ministry of Tourism and Antiquities
<b>SOW</b>	Scope of Work
<b>USAID</b>	United States Agency For International Development

## **Executive Summary**

The USAID Competitiveness Project “Compete Project” aims to strengthen the competitiveness and export potential in the areas of Agriculture and Agribusiness, Tourism, Information and communications Technology, and Stone and Marble.

The primary focus of Compete Project is to improve access to markets for Palestinian SMEs and enable these firms to better meet market requirements.

A secondary focus is to improve access services through the development of local business associations and business service providers.

The strategy used to transform the Palestinian agriculture sector to attain global market competition will be accomplished through building sustainable business, social enterprise development and partnering with foreign investors. This will be achieved through priority interventions mutually supportive to impact this substantial part of the Palestinian GDP and work force.

With the aim of supporting the greatest transformational impact, tourism strategy has to be focused on the development of a broad three and five year overarching strategic structure for the short and medium term work plan. Particular areas of support include export ready products and services enhanced to reach new markets, growth in investment, new routes and techniques to market and increase better pay and profit. A better skilled workforce will be needed to fulfill future demands.

The ICT sector development strategy will be based on three interrelated elements: 1) human resources, 2) capital innovation development and 3) multinational companies’ partnerships. The main objective is to create scaled number of talented resources with suitable experience to work according to international standards.

The stone and marble strategy will be focused on developing a one, three and five year strategic structure for the sector’s work plan. Areas of support include export ready SMEs interested in new product development, technology and capacity building to reach new markets.

## **Highlight of the Quarter**

### ■ Recruitment phase

- Interviews for the short listed candidates for different positions have been conducted.
- Selection of the best candidates after receiving approvals on their rate and SOW.
- Sign the employment agreements.

### ■ Preparations

- Office space was selected and the internal design was prepared.
- Received several price offers for office furniture, mobile lines...etc.
- Project vehicles have been rented.

### ■ Project Launching

- A focus on a strong and effective launch of the project by sector teams
- Communicating and working closely with a wide range of potential stakeholders through intensive efforts aiming to:
  - Initiate and improve efforts for cooperation and getting them involved in initial project activities.
  - Assist targeted firms presenting their needs for reaching international markets.
  - Address gaps in each sector that will enable Palestinian enterprises identify and exploit significant economic opportunities concentrating on international markets.
  - Map out work frames by priorities and regions to create and maximize value for the project goals and future partners.
  - Develop strategies and adopting comprehensive approaches for each sector that will contribute in transforming Palestinian enterprises into global competitors.

### ■ Marketing & Research

- The main focus of the Marketing and Research work over the past period has been conducting preliminary research to map the four sectors, which

would outline the major players, and include a list of public sector entities and institutions, private sector associations and representative bodies, private sector renowned personalities and key figures.

- The mapping exercise relied on desk research, literature review, and information provided by existing networks and contacts.

## ■ Meeting with USAID Representatives :

- USAID representatives including; John Carihfield, PEO Director, Scott Kleinberg, COTR, Ghassan Al-Jamal, Deputy COTR, Robert Parker, Private Enterprise Officer, met with The Compete team on March 28th at the project's office in Ramallah to discuss and agree the project strategy, activities and in-progress work plan concentrating on export development, investment, innovation, value addition and job creation.
- At that meeting Denis Gallagher, Chief of Party (COP), stated the mission of the project:  

**“Strategic Transformation of Key Sectors to COMPETE in the Global Market”**
- The COP introduced a business economic assessment methodology – CIBER (competitiveness impacts of business environment reforms) developed by DAI that will be used to identify priority issues, consensus for PPP actions and the economic benefits for these reforms to sector-level competitiveness.
- At Agribusiness Sector, Valuable points were discussed throughout the presentation to bring fresh ideas to the agriculture sector in Palestine such as access to technical assistance, training, new marketing tools, better seedling to increase yields, product diversification and processing to open new lucrative markets.
- At Tourism Sector, the draft plan presented to the USAID team focused on increasing the value of tourism, facilitating increased market access and new routes to the market, diversifying tourism products and experiences and improving tourism service and quality standards.
- At ICT Sector, the first year activities of the project will focus on strengthening relationships with IT multinational companies especially

those with branches in Israel. Also, this year, two enterprise level training programs will be initiated as well as an innovation linkage program designed support the transformation the sector into a responsive eco-system that can help build an entrepreneurship based community in the West Bank and Gaza.

- At Stone and Marble Sector, the activities presented to the USAID team focused on embracing what has been done with stakeholders in this sector, looking into pilot programs, trade show support, as well as looking into methods to diversify products and working alongside specialized marketing firms.

## **Progress by Sector**

### **AGRIBUSINESS SECTOR**

- A technical work plan for year one including the estimated length of the project is currently being developed for completion by end April.
- Field Visits to Jericho and Jordan Valley:
  - The Compete Agribusiness team visited the principal agriculture production sites and stakeholders in the governorate of Jericho and Jordan Valley. These assessment visits were to begin preparation of the work plan and key organizational issues for Compete stakeholder to exhibit at the Fancy Food Show that will take place mid-June in Washington.
- Field Visits to Tubas and Jenin :
  - The Agribusiness team visited key stakeholders in the region including fresh herb growers, potato growers, and olive oil press lines through assessing the needs of the agriculture industry and gathering information from stakeholders, the team was able to better understand their short and long term needs to fill the gap in these enterprises competitive position.

### **TOURISM SECTOR**

- Review of industry documents, plans, strategies and reports :
  - The National Development Plan.

- Bethlehem Master plan.
  - Destination Palestine 2011 Overview.
  - Palestinian Industry and Economic Forum Tourism Industry Review.
  - MoTA Summary Compilation of Palestine's National Tourism Development Strategy and MoTA and Palestine Central Bureau of Statistics.
- Introductory stakeholder meetings with the objective of facilitating a greater understanding of the Palestinian tourism industry, to ascertain key objectives, areas of need and assess the sector's focus and capacity to increase the value of tourism to Palestine in order to feed into the most effective strategic short term and long term work plan.
  - Sandra Willett, Tourism Component Lead, and Sami khoury Tourism Consultant went on a business trip to Berlin to attend the ITB Berlin - a tourism conference with more than 17,000 visitors from 180 countries all over the world.

## **ICT SECTOR**

- Preparations to develop a strategic framework for the ICT sector related activities with the overall objective of creating a stronger economy utilizing innovative ICCT tools.
- Discussions with stakeholders the best approach to adopt in implementing this vision.

## **STONE & MARBLE SECTOR**

- Preparations for sector presentation, relying on interviews with contacts from Pal-Trade, discussions, brainstorming, literature review, and examining sector statistics.
- Starting the process of building the stakeholder database and setting up a number of meetings.